

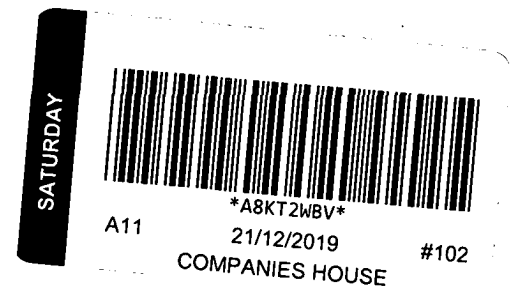


## Kaleidoscope Plus Group

### Trustees' Report and Financial Statements

For the Year Ended 31 March 2019

Company Number 04660523  
Registered Charity Number: 1096473



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Kaleidoscope Plus Group  
Co No: 04660523;  
Registered Charity No: 1096473

Year ended 31 March 2019

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**REFERENCE & ADMINISTRATION INFORMATION****Charity Name:**

Kaleidoscope Plus Group

**Registered Charity No**

1096473

**Registered Company No**

04660523

**Registered Office**

321 High Street  
West Bromwich  
West Midlands  
B70 8LU

**Auditor**

Mazars  
45 Church Street  
Birmingham  
B3 2RT

**Bankers**

Unity Trust Bank plc  
Nine Brindley Place  
Birmingham  
B1 2HB

**Investment Managers**

Quilter Cheviot  
Two Snowhill  
Birmingham  
B4 6GA

**Chief Executive and Company Secretary**

Monica Shafaq

**Executive Officers**

Claire Dale – Director of Operations (Deputy Chief Executive)

## TRUSTEES' ANNUAL REPORT for the year ended 31 March 2019

The Trustees present their report and accounts for the year ended 31 March 2019.

### 1. Structure Governance and Management

#### Board of Trustees

The Trustees of the charitable company, who are directors for the purpose of company law, who served during the year and up to the date of this report are set out as follows:

|  |         |
|--|---------|
| Benjamin Purkiss (Chair) (resigned 12 August 2019) | Trustee |
| Mark Wood (Deputy Chair)                           | Trustee |
| Monica Shafaq                                      | Trustee |
| Darren Moore                                       | Trustee |
| Christopher Mills                                  | Trustee |
| Faye Hingley                                       | Trustee |
| David Clarke (resigned 19 March 2019)              | Trustee |
| Surrinder Bains                                    | Trustee |
| Angela Watkins                                     | Trustee |
| David Saunders                                     | Trustee |

The Kaleidoscope Plus Group (KPG) is a voluntary organisation constituted as a registered charity (charity registration number 1096476) and a company limited by guarantee (company registration number 04660523), registered and incorporated in England and Wales. It is governed by its Articles of Association. The principle office of the charity is 321 High Street, West Bromwich, B70 8LU.

### OBJECTIVES AND ACTIVITIES

The objects of The Kaleidoscope Plus Group are:

*.... To promote and support better health and wellbeing across our area of operation...*

#### Our Aims:

|                  |   |
|------------------|---|
| <b>Recovery</b>  | To deliver high quality and appropriate services for people who experience ill health, promoting recovery, independence and integration at all times.   |
| <b>Inclusion</b> | To facilitate and support community integration and participation for people with health problems.  |
| <b>Awareness</b> | To raise awareness of health issues across the communities we serve; to challenge stigma associated with mental illness; to promote and support positive health and wellbeing across communities. |

The Kaleidoscope Plus Group's Core Values are as follows:

|                |   |
|----------------|---|
| <b>Quality</b> | We are committed to achieving and maintaining appropriate standards for the organisation and its services, and to building, supporting and maintaining a skilled, high quality workforce to ensure excellent service delivery and governance. |
|----------------|---|

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## TRUSTEES' ANNUAL REPRT (continued)

|   |  |
|---|--|
| <b>Access and Equality</b>                    | Our commitment to equality is reflected in our policies, practices and services. This commitment goes beyond our ethos to promote equality and challenge discrimination. It involves an active commitment to identifying areas where inequality of access to health services and support exists for diverse communities and to develop structures to address them wherever possible. |
| <b>Continuous Improvement and Development</b> | We will carry out structured and regular review of the organisation and its services, their quality and their impact in order to inform and influence development. We will build skills and seek resources to implement new services and/or facilities in response to identified need.   |
| <b>Partnership</b>                            | We are accountable to all our stakeholders and are committed to making sure the views and needs of our service users, funders and other partners are listened to. We will work with service providers and policy makers to have influence into the development of services and strategies which impact the communities we exist to serve.  |
| <b>Sustainability</b>                         | We have a responsibility to our service users and the communities in which they live to ensure that the services we develop and deliver are sustainable, and to ensure that resources are responsibly managed and allocated.   |

### Trustee and Directors induction and training

Trustees who are new to the Board are inducted in their responsibilities as a Trustee together with the history and intended direction of the charity. They are provided with a copy of the constitution, current business plan and policies relating to confidentiality, safeguarding, terms of reference and our code of conduct amongst other overarching governance related information. Throughout the year, all Trustees are given regular training in key issues arising which are pertinent to the charity and their duties and responsibilities as trustees. They also receive training in Mental Health First Aid and Applied Suicide Intervention Skills Training for which we have accredited trainers.

On an annual basis, an "away day" is organised which concentrates on the key issues for the charity, allowing the board to take stock and consider future development, along with reviewing updates in charitable law, governance and how they impact on the duties of the Trustees.

All Trustees are encouraged to involve themselves in areas of particular interest to them through close involvement with the management, staff and users of the charity's services. This helps Trustees to develop the overall strategic direction and does not detract from the Trustees primary responsibilities to the charity.

All Trustees give their time freely and no trustee with the exception of travel expenses, received remuneration in the year.

### Organisational Structure

The Kaleidoscope Plus Group is a voluntary organisation constituted as a registered charity (charity registration number 1096476) and a company limited by guarantee (company registration number 04660523) governed by adopted Articles of Association. It is governed by a committee of voluntary Trustees (the Board) who are also directors of the company.

The Trustees elect officers at the Annual General Meeting including a Chair from amongst their number. The Trustees set 'role descriptions' and 'person specifications' in respect of the officer roles (Chair) and the general Trustee role.

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## TRUSTEES' ANNUAL REPRT (continued)

### Pay Policy

The charity removed its pay structures in 2015 and due to financial constraints have not implemented an overall review of salaries. Any requests or changes in salary are discussed and approved by the Executive team on a case by case basis. Executive Team salaries are set by the board. The charity recognises that a formal pay structure is now required and will be looking towards implementing a process over the coming year.

The key management staff are the Chief Executive and Director of Operations. Due to the challenging economic environment, staff pay including key staff was not reviewed during the year and with the exception of the contractual incremental increases due, no cost of living awards were applied.

The Trustees have overall responsibility for ensuring that the charity has appropriate systems of control, financial and otherwise. The systems of internal control are designed to provide reasonable, although not absolute, assurance against material misstatement or loss. They include:

- an annual budget approved by Trustees;
- regular consideration by the Trustees of financial results, variance from budgets, non-financial performance indicators and bench-marking reviews;
- delegation of authority and segregation of duties;
- identification and management of risks.

In addition to the AGM, the Board meets a minimum of four times a year. There is also a Finance & General Purposes Committee which meets 'virtually' ensuring all board members are able to participate and contribute.

Responsibility for strategy, planning and the day-to-day management of operations is delegated to an executive team of managers led by the Chief Executive, who also acts as Company Secretary. Formal reporting by the Chief Executive to the Trustees takes place regularly throughout the year. The committee meeting protocol continues to be updated to ensure that there is a regular review of key issues, such as investment, risk management, performance data and regulatory monitoring.

A team of approximately 77 staff (an increase from the previous year) report to the Chief Executive through a Director of Operations who is also the Deputy Chief Executive.

### Risk Management

The Trustees introduced a formal strategic risk management process and a full scale review to assess business risks and implement a risk management strategy. Operational risk assessment and management addresses the following areas, Loss of income; Risk of Adverse Publicity; Loss of Key Staff; Loss of Management Committee Members; Lack of Organisational Vision; Breach of Health & Safety, Financial Fraud or Error; Business Interruption/Contingency; and ICT failure. These are all reviewed on a quarterly basis and are set out in the Risk Management Strategy, which adopts a risk register to evidence action against highlighted risks.

A total of 35 risks are currently being monitored. A traffic light system is used to rate them. Risks scoring between 15 – 24 (based on likelihood and impact) are rated as red. Those scoring between 8 –14 are rated amber and risks scoring below 7 are rated as Green.

The charity's highest risk factor is the possibility that commissioned contracts could end without replacement, however we recognise that this is a risk which is unlikely to change in the foreseeable future due to the economic climate the third sector is currently working in.

See below the risk register where the key risks have been identified

**TRUSTEES' ANNUAL REPORT (continued)**

| <b>Risk Description</b>  | <b>Vulnerability</b>  | <b>Impact / Consequence</b>  | <b>Mitigation</b>  |
|--|---|--|--|
| Government Policy changes reduce the level of funding available for registered residential mental health service delivery by Third Sector organisations. | KPG operates one Registered Care Home which makes up one fifth of income which is largely funded via Care & Support contracts | Public sector agencies could withdraw service delivery contracts impacting on both service users and KPG | <ul style="list-style-type: none"> <li>• Ensure KPG keep up to date with government policy,</li> <li>• Develop partnerships and consortiums with other similar organisations and consider/review possibilities of economies of scale</li> <li>• Review expenditure streams to ensure VFM is still achieved,</li> <li>• Prepare "back up" plan for continuity of care including exploring personal budgets with existing and potential future clients</li> <li>• Review structure and viability of care home should income levels decrease</li> </ul> |
| The charity's sustainability is threatened   | With the exception of the Registered Care Home, the contract services are relatively short term.                              | As service contracts expire, there is no continuity of service or funding.                               | <ul style="list-style-type: none"> <li>• Continue to raise the profile of the Group at regional and local events</li> <li>• Develop / manage partnership working with key statutory agencies</li> <li>• Develop a diverse portfolio of health projects and delivery</li> <li>• Ensure KPG is at the forefront of the development of new service provision</li> <li>• Use high profile media channels to help raise the profile of KPG</li> </ul>   |
| Project Funding Streams cease and are not replaced   | KPG activity is heavily reliant upon contract funding from Commissioners to deliver projects                                  | Project delivery will cease leaving service users without a much needed service                          | <ul style="list-style-type: none"> <li>• Ensure the relevant bid writing skills are deployed to put together the bids to retain services</li> <li>• Ensure adequate time to develop bids is allocated New tender and service opportunities are regularly and actively pursued. Consideration is also given to how existing resources can be used differently to widens our range of experience which further enhances our ability to attract alternative services.</li> </ul>  |
| There is little or no diversification in terms of business development and / or diversification of service delivery                                      | Kaleidoscope Plus Group is not at the forefront of key partner business development and diversification                       | The organisation loses its ability to attract new business development                                   | Focus on fundraising and business development opportunities have increased in recent months however the level of income this is currently generating, needs to strengthen in order to bring the RAG rating of this risk down.  |
| The management structure is not adequate to manage the organisation under the direction of the Board.  | Inadequate Management structure is put in place and posts are vacant and not filled   | The charity is unable to deliver objectives, contracts and projects                                      | <ul style="list-style-type: none"> <li>• Create a management structure which is capable of delivering the objectives of the charity,</li> <li>• The management structure needs to be able to "grow" the business</li> <li>• Employ personnel who are able to deliver the charitable objectives and develop the business</li> <li>• Review structure on a regular basis to ensure "fit for purpose"</li> </ul>  |

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## TRUSTEES' ANNUAL REPORT (continued)

### How Our Activities Deliver Public Benefit

The Trustees have referred to the Charity Commission's general guidance on public benefit and feel that the existing aims and values meet the requirement set out for small charities. A review of the mission, aims and core values has been undertaken and it is felt that they remain relevant to the charity's purposes. This will remain under review in 2019/20.

Mental Health covers a wide spectrum of illnesses from psychotic disorders such as bipolar through to the more common conditions such as anxiety and depression. Around one in four people have suffered from a mental illness or are associated with someone who has and the annual cost of mental health problems in England is estimated at £77 billion. Depressive illness is forecast by the World Health Organisation to be the second leading cause of global disability by 2020 if it is not addressed adequately.

Each day 15 people in the UK will take their own lives with someone dying by suicide every 2 hours. A total of 2,038 adults will be admitted to hospitals in England and there will be around five million inpatient days per year. There will be 912 detentions under the Mental Health Act 1983 of which around 385 will be voluntary admissions.

Every year, 33 million prescriptions for anti-depressants are written in England and 16 million for sleeping pills, anti-anxiety drugs or tranquillisers. Mental health illness does not discriminate; it impacts people of all ages and economic backgrounds. Some illnesses are clinically diagnosed whereas others are not which makes it difficult to determine the number of people requiring mental health service provision.

At The Kaleidoscope Plus Group, equal access to all of our services is of paramount importance. We monitor our performance against both contractual and sector expectations across all service areas to ensure that effective services are implemented; any gaps are easily identified and work with a wide range of Commissioners to develop appropriate interventions.

Any weaknesses identified are included within the charity's Service Improvement Plan which is reviewed annually. We believe that equal access to our services is vital to our success and that successful outcomes must be shared by all sections of the community.

Our main activities for the year continued to meet The Kaleidoscope Plus Group's Mission and Aims and were implemented through the provision of a number of services:

#### Residential Care

##### *Nicholl Grange Care Home*

Residential care for 14 people structured to comprise a 10-bed unit with 4 one-bedroom flats in West Bromwich. The staff team provide care and support 24 hours a day. The home caters both for people who have a long-term need for such a setting, as well as for some who wish to develop their independent living skills prior to moving on. In addition there are four one-bedroom flats attached to this scheme where the residents receive support from the care home staff to facilitate a greater degree of long-term independent living. Without such a service, local people suffering from mental health illness would not be able to gain the support and confidence to live fulfilling and independent lives.

#### Supported Accommodation

##### *ILS*

These are two individual shared properties accommodating 4 individuals who have been in long term institutionalised care. They are enabled to live independently in the community with 24/7 on site support.



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## Community Services

### *SORT Scheme*

A Floating Support scheme which supports 100 people. Those who receive support have mental health issues and challenges and the SORT scheme helps them maintain independent living in their own homes.

### *Community Wellbeing & Wellbeing + Service*

Community Wellbeing's services are available on a self-referral basis. They are well attended and open to anyone wishing to improve their wellbeing and to better manage their own mental health. They are currently delivered in Sandwell, Walsall, Wolverhampton and Dudley. The services are funded by Sandwell Metropolitan Borough Council and the National Lottery respectively.

Community Wellbeing services include the following strands:

- wellbeing group therapies — food & mood, yoga, tai chi, relaxation;
- self-help support groups;
- educational & vocational groups;
- social, leisure & physical groups and events;
- individual therapies — aromatherapy massage, reflexology;
- information, advice and signposting;
- ecotherapy groups;
- self-help skills development sessions and courses;
- specific interest groups — community drop-in, spirituality;
- creative and art therapies/groups;
- counselling services.

Some groups are limited to specific demographic groups — for example gender specific, BME (Black & Minority Ethnic) groups and those who are experiencing specific mental health challenges.

### *Community Engagement*

The Community Engagement service was introduced in 2012 to form connections and links between the community and the organisation and empowered service users to both engage with the organisation and the community which continued to successfully develop. The service user groups have secured small project funding throughout the year and deliver a number of peer led groups, which not only helps participants but also aids and supports the recovery of those delivering the sessions,

### *IAPT – Talking Therapies*

The service is for individuals who are experiencing mild to moderate anxiety or depression and is delivered on a one-to-one basis using Cognitive Behaviour Therapy techniques. The service operates at step 2 of the stepped care model and referrals to the service are made via GPs. This service is delivered to adults in Sandwell and Children and Young People in Staffordshire.

### *Khushi*

The Khushi Service is a mental health and wellbeing support service aimed specifically at the Asian female community and assists them via providing support sessions on a group and one-to-one basis.

### *Suicide Bereavement Support (Black Country and Warwickshire)*

This service offers support to those who have been bereaved by suicide in Warwickshire and The Black Country.

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### *Primary Mental Health Workers*

The PMHW team work with children and young people, families, carers and professionals providing support where there are emotional or mental health concerns in relation to the young person.

### **Awareness Raising and Publicity**

During the year, The Kaleidoscope Plus Group worked across the communities of the Black Country and beyond to raise awareness, challenge stigma, contribute to local policy and service development, and ensure that services are equally available and accessible to all members of the community.

The organisation worked in partnerships throughout the year to ensure that various campaigns such as 'Time to Change' and National Mental Health week are all promoted. The annual Charity Gala Ball also aims to raise awareness of these issues as well as funds for the charity.

### **Training**

The charity provides an internal training service to all staff, in particular those staff who are in the forefront of the organisation's work, particularly in Care, Support & Community Services. Internal training offers a service which ensures our staff are well versed in the full range of legislative and specialist knowledge relevant to their area of work to enable them to provide competent services of a high standard.

There charity also provides external training including Mental Health First Aid; Applied Suicide Intervention Skills Training and a bespoke mental health and wellbeing training packages to a range of businesses, partners and individuals. There are a number of staff who are now qualified trainers and carry out training in specific areas of mental health. Training for users of other services and the general public relating to mental health and the range of self-help issues is also provided.

### **Fundraising**

Fundraising has become an important focus for the charity over recent years and the charity is early on in its journey of devising a formal approach. The Chief Executive, Business Development and Campaigns and Fundraising Managers have worked hard to secure Corporate Partners to assist in this regard. This will remain a focus for the foreseeable future as well as encouraging individuals to participate in external fundraising events (such as local marathons) to raise funds on the charities behalf. The charity feels that encouraging participation in externally organised events reduces any risks to the charity whilst it is still developing its own systems and practices. The charity continues to also hold an annual gala dinner.

The Nick Mowl Cup is an annual event organised by the family and friends of Nick Mowl who sadly died by suicide in May 2017. Monies raised from this event are being used to fund a suicide text line service for those who are at risk. Funds will also be used to support those bereaved by suicide in Solihull.

The charity is hopeful that these services will be launched in the latter part of 2019

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## FINANCIAL REVIEW

The Trustees note that overall the financial performance for the year has been positive and this is demonstrated in the results. The Charity's income of £3,345,583 (2018:£3,130,350) exceeded its total expenditure before exceptional items and gains on investments of £3,123,403 by £222,180 (2018 £237,334).

The changing market and environment the charity operates in has restricted its access to new business although we are committed to reduce expenditure and identified efficiencies.

### Reserves and Investment

We hold general reserves in order to provide cover for unexpected changes in income and expenditure, allowing us to continue key activities in the event of:

- A temporary loss of income, giving time to adjust the business model or source alternative income streams
- Manage short term financial commitments the Charity is exposed to in the event of loss of income

The target level of general reserves is £1,100,000 which equates to 4.5 months of operational expenditure with an aspirational target of £1,500,000. This is based on a review of the financial risk associated with our income streams. Due to the sale of Hawthorn House the current reserve level exceeds the target with the free reserves being £1,681,466 (2018: £1,499,885) at the end of the financial year.

### Investments

Quilter Cheviot manage the portfolio of equity and fixed interest investments in accordance with our ethical investment and low risk policy, they report on a regular basis to the Board of Trustees.

KPG investments are benchmarked against the MSCI WMA Private Investor Income index. However, typically we also compare against our peer group composite as reported by ARC. The corresponding benchmark to the Kaleidoscope's QC portfolio is ARC Sterling Balanced Asset, which the portfolio outperformed over 3 months, 6 months and 12 months (see below). These are strong figures vs our peers and we remain happy with how the portfolio has, and continues to perform.

|                             | 31/12/18 – 29/03/19 | 28/09/18 – 29/03/19 | 30/03/18 – 29/03/19 |
|-----------------------------|---------------------|---------------------|---------------------|
| Kaleidoscope QC portfolio   | 5.59%               | -0.86%              | 5.34%               |
| ARC Sterling Balanced Asset | 5.14%               | -1.02%              | 2.98%               |
| MSCI WMA PI Income          | 7.22%               | 0.2%                | 6.09%               |

### Future Operations

The Kaleidoscope Plus Group is continuing a process of an on-going service review to ensure that relevance of service and quality, remain a key focus. The charity is making excellent progress in developing its work in the wider Black Country region and beyond, including Staffordshire, Stoke on Trent and Bedfordshire.

Kaleidoscope Plus Group also considers community engagement to have a key role in service development and has harnessed its unique potential to promote and facilitate social inclusion and community integration by continuing to develop the bank of volunteers to help deliver the essential role of raising the profile and reducing

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the stigma related to mental health. This has proved fruitful with the growth of the community engagement model and a number of community engagement services now being delivered by our pool of volunteers.

Whilst every effort is made to retain contracts that are re-tendered through the commissioning process, the board are aware that this is a very competitive and on occasions, political exercise which may not always result in a success re-award. This remains a regular risk to the charity as detailed in its risk register. Therefore when setting budgets, the charity takes a prudent view and bases income on known income only. It was known that our Talking Therapies service was due for re-tender in 19-20 and that the loss of this contract would have a significant impact on the charity's income from September of that year, however following full and detailed discussion at the board, it was agreed that existing reserves would ensure that the charity remains a going concern

Brexit has no direct impact on the charity however it is recognised that the decision to leave the European Union has been a year of major upheaval in the UK. It is understood that that "Brexit" – especially a no deal Brexit – is an act of disconnection and rupture at a national level, which will ripple through individual people's lives in myriad ways.

#### **Disclosure of information to auditors**

In so far as the directors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

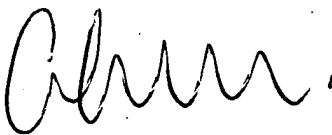
#### **Auditors**

Mazars, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

#### **Small Company Provisions**

The Trustees' report has been prepared in accordance with the provisions applicable to small companies under the Companies Act 2006.

This report was approved by the Executive Committee on 18<sup>th</sup> December 2019 and signed on its behalf by;



**Christopher Mills**  
Chairman

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## STATEMENT OF TRUSTEES' RESPONSIBILITIES

### Statement of trustees' responsibilities

The trustees (who are also directors of Kaleidoscope Plus Group for the purpose of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure of the charitable company for that year. In preparing these financial statements, the trustees are required to:

- a) select suitable accounting policies and then apply them consistently;
- b) observe the methods and principles in the Charities SORP FRS 102);
- c) make judgments and estimates that are reasonable and prudent;
- d) state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- e) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
KALEIDOSCOPE PLUS GROUP**

**Opinion**

We have audited the financial statements of The Kaleidoscope Plus Group (the 'charity') for the year ended 31 March 2019 which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2019 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**The impact of uncertainties due to Britain exiting the European Union on our audit**

The trustees' view on the impact of Brexit is disclosed on page 12.

The terms on which the United Kingdom may withdraw from the European Union are not clear, and it is therefore not currently possible to evaluate all the potential implications to the Charity's trade, customers, suppliers and the wider economy.

We considered the impact of Brexit on the association as part of our audit procedures, applying a standard firm wide approach in response to the uncertainty associated with the Charity's future prospects and performance.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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**OPINION (continued)**

**Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report which includes the Directors' Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report included within the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specific by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

**Responsibilities of Trustees**

As explained more fully in the trustees' responsibilities statement set out on page 13, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

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**OPINION (continued)**

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Use of the audit report**

This report is made solely to the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.

Signed:



Ian Holder (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

45 Church Street

Birmingham

B3 2RT

Date: 20 December 2019



**BALANCE SHEET AS AT 31 MARCH 2019**

|   | Notes | 2019             | 2018 (Restated)  |
|---|-------|------------------|------------------|
|   |       | £                | £                |
| <b>Fixed assets</b>                                   |       |                  |                  |
| Tangible assets                                       | 9     | 52,596           | 73,270           |
| Listed investments                                    | 10    | 615,649          | 584,805          |
| Investment in joint venture                           | 10    | -                | -                |
|   |       | <b>668,245</b>   | <b>658,075</b>   |
| <b>Current assets</b>                                 |       |                  |                  |
| Debtors: amounts falling due after one year           | 11    | -                | 738,162          |
| Debtors: due within one year                          | 11    | 411,212          | 762,068          |
| Cash at bank and in hand                              |       | <b>1,957,346</b> | <b>953,657</b>   |
|   |       | <b>2,368,558</b> | <b>2,453,887</b> |
| <b>Creditors: amounts falling due within one year</b> | 12    | <b>(449,702)</b> | <b>(763,911)</b> |
| <b>Net current assets</b>                             |       | <b>1,918,856</b> | <b>1,689,976</b> |
| <b>Total assets less current liabilities</b>          |       | <b>2,587,500</b> | <b>2,348,051</b> |
| <b>Net assets</b>                                     |       | <b>2,587,500</b> | <b>2,348,051</b> |
| <b>Unrestricted funds</b>                             | 14    |                  |                  |
| Designated funds                                      |       | 902,596          | 811,432          |
| Restricted funds                                      |       | 3,038            | -                |
| General funds   |       | <b>1,681,466</b> | <b>1,536,619</b> |
| <b>Total funds</b>                                    |       | <b>2,587,500</b> | <b>2,348,051</b> |

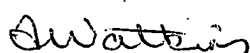
The financial statements are prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the Trustees and authorised for issue on 18<sup>th</sup> December 2019 and signed on their behalf by:

C Mills



A Watkins



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TRUSTEES

**STATEMENT OF FINANCIAL ACTIVITIES (Incorporating an Income and Expenditure Account) for the year ended 31 March 2019**

|   | <u>Notes</u> | Unrestricted<br>Funds<br>2019<br>£ | Restricted<br>Funds<br>2019<br>£ | Total<br>Funds<br>2019<br>£ | Total<br>Funds<br>2018<br>£ |
|---|--------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| <b>Incoming and endowments from:</b>  |              |                                    |                                  |                             |                             |
| <b>Generated funds</b>  |              |                                    |                                  |                             |                             |
| Voluntary income  |              |                                    |                                  |                             |                             |
| Donations   |              | 76,005                             | 10,000                           | 86,005                      | 3,184                       |
| Activities for generating funds   |              |                                    |                                  |                             |                             |
| Fundraising   |              | 39,380                             |                                  | 39,380                      | 29,004                      |
| Investment income   |              |                                    |                                  |                             |                             |
| Rental income and service charges   |              | 318,555                            |                                  | 318,555                     | 519,795                     |
| Bank interest   | 3            | 5008                               |                                  | 5,008                       | 430                         |
| Dividend income   | 3            | 17,683                             |                                  | 17,683                      | 15,475                      |
| <b>Charitable activities</b>  |              |                                    |                                  |                             |                             |
| Contract and charges  |              |                                    |                                  |                             |                             |
| Residential care  |              | 453,505                            |                                  | 453,505                     | 427,962                     |
| Supported accommodation   |              | 497,555                            |                                  | 497,555                     | 457,153                     |
| Community services  |              | 1,865,205                          |                                  | 1,865,205                   | 1,658,707                   |
| Training  |              | 62,286                             |                                  | 62,826                      | 18,640                      |
| <b>Total income and endowments</b>  | 2            | 3,335,583                          | 10,000                           | 3,345,583                   | 3,130,350                   |
| <b>Expenditure on:</b>  |              |                                    |                                  |                             |                             |
| <b>Charitable activities</b>  | 4            | 3,116,441                          | 6,962                            | 3,123,403                   | 2,893,016                   |
| <b>Total expenditure before exceptional items</b>   | 4            | 3,116,441                          | 6,962                            | 3,123,403                   | 2,893,016                   |
| <b>Net income for the year before exceptional items and other recognised gains and losses</b> |              | 219,142                            | 3,038                            | 222,180                     | 237,334                     |
| <b>Exceptional item</b>   | 19           |                                    |                                  |                             | 45,112                      |
| <b>Net income / (expenditure) for the year before other recognised gains and losses</b>       |              | 219,142                            | 3,038                            | 222,180                     | 282,446                     |
| <b>Other recognised (losses)/gains</b>  |              |                                    |                                  |                             |                             |
| Realised gains/(losses) on investments  | 10           | 3,835                              |                                  | 3,835                       | 1,420                       |
| Unrealised (losses)/gains on investments  | 10           | 13,034                             |                                  | 13,034                      | (4,096)                     |
| <b>Net income / (expenditure) for the year</b>  |              | 236,011                            | 3,038                            | 239,049                     | 279,370                     |
| <b>Fund balances brought forward at 1 April</b>   |              | 2,348,051                          | -                                | 2,348,051                   | 2,068,681                   |
| <b>Fund balances carried forward at 31 March</b>  |              | 2,584,062                          | 3,038                            | 2,587,100                   | 2,348,051                   |

The charity had unrestricted funds only in 2018.

**STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 31 MARCH 2019**

|   | Notes    | 2019<br>£               | 2018<br>£              |
|---|----------|-------------------------|------------------------|
| <b>Cash flows from operating activities:</b>                                      |          |                         |                        |
| <b>Net cash provided by operating activities</b>                                  | <b>A</b> | <b><u>1,014,941</u></b> | <b><u>506,805</u></b>  |
| <b>Cash flows from investing activities:</b>                                      |          |                         |                        |
| Purchase of property, plant and equipment   |          | (19,968)                | (58,354)               |
| Purchase of investments   |          | (109,538)               | (123,125)              |
| Proceeds from sale of investments   |          | 93,009                  | 104,449                |
| Interest received   |          | 5,008                   | 430                    |
| Dividend income   |          | 17,683                  | 15,475                 |
| <b>Net cash from investing activities</b>   |          | <b><u>(13,806)</u></b>  | <b><u>(61,125)</u></b> |
| <b>Change in cash and cash equivalents in the reporting period</b>                |          | <b><u>1,001,135</u></b> | <b><u>445,680</u></b>  |
| <b>Cash and cash equivalents at the beginning of the year</b>                     |          | <b><u>985,800</u></b>   | <b><u>540,120</u></b>  |
| <b>Cash and cash equivalents at the end of the year</b>                           |          | <b><u>1,986,935</u></b> | <b><u>985,800</u></b>  |
| <b>Cash is represented by:</b>  |          |                         |                        |
| Cash held by investment managers  |          | 29,589                  | 32,143                 |
| Cash at bank and in hand  |          | 1,957,346               | 953,657                |
|   |          | <b><u>1,986,935</u></b> | <b><u>985,800</u></b>  |
|   |          | <b>2019</b>             | <b>2018</b>            |
| <b>A) Reconciliation of net income to net cash flow from operating activities</b> |          | <b>£</b>                | <b>£</b>               |
| Surplus for the financial year  |          | 239,049                 | 279,370                |
| Adjustments for:  |          |                         |                        |
| Depreciation  |          | 37,454                  | 55,184                 |
| Profit/Loss on Sale of Property Plant and Equipment                               |          | 741,350                 | -                      |
| Decrease/(increase) in trade and other receivables                                |          | 350,856                 | 71,564                 |
| (Decrease)/increase in trade payables   |          | (314,209)               | 113,516                |
| Interest received   |          | (5,008)                 | (430)                  |
| Dividend Income   |          | (17,683)                | (15,475)               |
| Realised gain on investments  |          | (3,835)                 | (1,420)                |
| Unrealised (gains)/losses on investments  |          | (13,034)                | 4,496                  |
|   |          | <b><u>1,014,941</u></b> | <b><u>506,805</u></b>  |

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Accounting policies

The main accounting policies adopted in the preparation of these accounts are:

**a) Basis of accounting**

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102), the Financial Reporting Standard Applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted practice.

**b) Going concern**

Kaleidoscope plus Group business activities, its current financial position and factors likely to affect its future operations are all set out in the Trustees report. The trustees consider that there are no material uncertainties about Kaleidoscopes ability to continue as a going concern and there are no unplanned material uncertainties affecting the current year's accounts. The entity has adequate resources to continue in operational existence for the foreseeable future

**c) Fund accounting**

General funds are unrestricted funds which are available for use at the discretion of the Trustees in the furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes that do not contain legally binding restrictions.

**Going concern**

Kaleidoscope plus Group business activities, its current financial position and factors likely to affect its future operations are all set out in the Trustees report. The trustees consider that there are no material uncertainties about Kaleidoscopes ability to continue as a going concern and there are no unplanned material uncertainties affecting the current year's accounts. The entity has adequate resources to continue in operational existence for the foreseeable future

**d) Incoming resources**

Donations, legacies and grant income are on a receipts basis unless the subject of a contractual commitment by the donor when they are accounted for on a receivable basis.

Income from rents and charges is recognised on an accruals basis according to chargeable occupancies.

Income on bank deposits is accounted for on the accruals basis. Income from quoted investments is recognised at the date the dividend is due.

**e) Resources expended**

Resources expended include all costs incurred and accrued as at the balance sheet date.

Support costs, which include the central office functions such as general management, payroll administration, budgeting and accounting, care and support services management, information technology and human resources are allocated across the categories of charitable expenditure, in proportion to total direct spend in each activity.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of the resources.

Costs of charitable activities comprise all costs identified as wholly or mainly attributable to achieving the charitable objects of the charity, including the costs of disseminating information in support of charitable activities. These costs include staff costs, wholly or mainly attributable support costs and an apportionment of general overheads.

Governance costs comprise all costs identified as wholly or mainly attributable to ensuring public accountability of the charity and its compliance with regulation. These costs include external audit and Trustee costs.

### Accounting policies (continued)

**f) Fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation. Assets costing less than £500 are fully expensed in the year of purchase. Assets costing above this amount are capitalised as tangible fixed assets.

Depreciation is provided to write off the cost of tangible fixed assets over their estimated useful lives at the following annual rates using the straight-line method:

|   |                               |
|---|-------------------------------|
| Leasehold Property                              | Over the remaining Lease Term |
| Leasehold Property Improvements                 | 20.0%                         |
| Furniture and Equipment                         | 20.0%                         |
| I.T. Equipment (within Furniture and Equipment) | 33.3%                         |

**g) Gifts in kind**

The value of the work done by volunteers is of significant value to Kaleidoscope Plus Group and to the people who use its services. The work of volunteers is greatly appreciated, but in accordance with the SORP no monetary value has been placed on their contribution in the financial statements.

**h) Taxation**

No corporation tax has been provided in these accounts because the income of the Charity is within the exemptions granted by Sections 466 to 493 of the Corporation Taxes Act 2010.

**i) Operating lease rentals**

Operating lease rentals are charged to the income and expenditure account on a straight line basis over the lease term.

**j) Investments**

Investments have been included at market value as at the balance sheet date. Gains and losses arising from the disposal of investments are calculated at net sales proceeds less carrying value. Unrealised gains and losses on the revaluation of investments are recognised in the statement of financial activities.

The Investment in the joint venture (Health for Living) is stated at cost less provision for permanent diminution in value.

**k) Pensions**

The charity operates a defined contribution scheme. The annual employers' pension contributions payable are charged to the Statement of Financial Affairs.

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**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**l) Financial Instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

The charity only has financial assets measured at undiscounted amount receivable which comprise of rents, charges and housing benefit receivable and other debtors.

The charity only has financial liabilities measured at undiscounted amount payable which comprise of rents, charges and housing benefit payable, other taxation and social security and other creditors.

**m) Provisions**

Provisions are recognised when the charity has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

**n) Impairments**

Assets measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of an asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in the Statement of Financial Activities unless the asset is carried at revalued amount where the impairment loss is a revaluation decrease.

**Key areas of management judgement and estimation uncertainty**

When preparing the financial statements, management makes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses. Management are of the opinion that are no key areas of management judgement or estimation uncertainty adopted within the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 2. Incoming resources by source

|   | 2019             | 2018             |
|---|------------------|------------------|
|   | £                | £                |
| Supporting people                             | 300,030          | 300,030          |
| Rents & service charges received              | 435,505          | 438,566          |
| Sandwell CCG and Sandwell MBC                 | 1,269,918        | 1,240,671        |
| Sandwell MBC - Voluntary Sector Support       | 84,753           | 83,914           |
| Investment income & interest                  | 22,691           | 15,905           |
| Investment income: rental and service charges | 338,895          | 533,924          |
| Other income                                  | 855,044          | 514,156          |
| Charitable donations                          | 20,747           | 3,184            |
|   | <u>3,345,583</u> | <u>3,130,350</u> |

### 3. Investment Income

|   | 2019          | 2018          |
|---|---------------|---------------|
|   | £             | £             |
| Dividend Income                                   | 17,683        | 15,475        |
| Interest on bank accounts and short term deposits | 5,008         | 430           |
|   | <u>22,691</u> | <u>15,905</u> |

### 4. Total resources expended

|                                  | Staff<br>Costs   | Depre-<br>ciatio<br>n | Other<br>Costs<br>(including<br>Support<br>costs) | Total<br>Unrestricted | Total<br>Restricted | Total<br>2019    | Total<br>2018    |
|----------------------------------|------------------|-----------------------|---|-----------------------|---------------------|------------------|------------------|
|                                  | £                | £                     |   |                       | £                   | £                | £                |
| Costs of charitable activities:  |                  |                       |   |                       |                     |                  |                  |
| Residential care                 | 312,971          | 2,775                 | 107,189   | 422,935               | -                   | 422,935          | 379,447          |
| Supported accommodation          | 495,093          | 4,887                 | 62,637  | 562,617               | -                   | 562,617          | 493,634          |
| Community/Commercial<br>services | 1,358,481        | 33,921                | 649,467   | 2,041,819             | -                   | 2,041,819        | 1,906,764        |
| Awareness raising & publicity    | 6,401            | 309                   | 53,613  | -                     | 6,962               | 60,323           | 56,431           |
| Governance (note 6)              | 6,401            | 309                   | 28,999  | 35,709                | -                   | 35,709           | 59,731           |
|                                  | <u>2,179,296</u> | <u>42,202</u>         | <u>901,905</u>                                    | <u>3,116,441</u>      | <u>6,962</u>        | <u>3,123,403</u> | <u>2,893,016</u> |

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**5. Support costs**

|                               | Finance/<br>admin &<br>general<br>manage-<br>ment<br>£ | IT<br>£ | Internal<br>training<br>£ | Total<br>2019<br>£ | Total<br>2018<br>£ |
|-------------------------------|--|---------|---------------------------|--------------------|--------------------|
| Residential care              | 83,908   | 2,686   | 479                       | 87,072             | 81,999             |
| Supported accommodation       | 135,880  | 4,350   | 775                       | 141,005            | 116,757            |
| Community/Commercial services | 363,156  | 11,625  | 2,072                     | 376,853            | 289,255            |
| Awareness raising & publicity | 9,355  | 299     | 53                        | 9,708              | 8,893              |
| Governance costs              | 9,355  | 299     | 53                        | 9,708              | 8,893              |
|                               | 601,655  | 19,260  | 3,432                     | 624,348            | 505,797            |

**6. Governance costs comprise**

|   | 2019<br>£     | 2018<br>£     |
|---|---------------|---------------|
| Apportionment of costs supporting governance activities | 6,710         | 6,249         |
| Professional fees                                       | 17,193        | 37,218        |
| Trustees costs  | 435           | 633           |
| Audit fees  | 11,220        | 11,880        |
| Other   | 150           | 759           |
|   | <u>35,709</u> | <u>56,739</u> |

**7. Net Income**

|                                       | 2019<br>£ | 2018<br>£ |
|---------------------------------------|-----------|-----------|
| Net Income stated after charging:     |           |           |
| Loss on disposal of assets            | 48,640    | -         |
| Auditor's remuneration                |           |           |
| Audit                                 | 10,220    | 11,880    |
| Other                                 | 2,500     | 4,080     |
| Depreciation                          | 37,454    | 55,184    |
| Leasehold Building Depreciation       | 4,747     | 7,121     |
| Operating Leases – Land and Buildings | 85,332    | 90,706    |
| Operating Leases – Office Equipment   | 20,034    | 11,045    |



## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 8. Staff costs

|                                  | 2019             |   | 2018             |   |
|----------------------------------|------------------|---|------------------|---|
|                                  | £                | £ | £                | £ |
| Wages and Salaries               | 1,922,320        |   | 1,652,392        |   |
| Employer's Social security costs | 163,294          |   | 140,066          |   |
| Employer's Pension costs         | 54,181           |   | 23,772           |   |
|                                  | <u>2,139,795</u> |   | <u>1,816,230</u> |   |
| Agency costs                     | 37,249           |   | -                |   |
| Recruitment costs                | 2,252            |   | 660              |   |
|                                  | <u>2,179,296</u> |   | <u>1,816,890</u> |   |

Staff Costs per function as follows:

|   | 2019             | 2018             |
|---|------------------|------------------|
|   | £                | £                |
| Costs of generating charitable activities | 1,767,660        | 1,488,108        |
| Management and administration             | 411,636          | 328,782          |
|   | <u>2,179,296</u> | <u>1,816,890</u> |

### Trustees' and key management personnel remuneration

No employees had employee benefits in excess of £60,000 (2018: Nil). In 2018/19 the organisation had two senior managers whose total key management personnel remuneration costs amounted to £118,620 (2018 £108,299). Pension contributions in respect of these individuals were £4,520 (2018 £3,345). One employee was a Trustee on the board. During their time on the board, their emoluments were as follows:

|                                     | 2019          | 2019         | 2019          | 2018          |
|-------------------------------------|---------------|--------------|---------------|---------------|
|                                     | £             | £            | £             | £             |
|                                     | Basic         | Pension      | TOTAL         | TOTAL         |
| Monica Shafaq                       | 58,892        | 2,945        | 59,371        | 56,848        |
| Chief Executive & Company Secretary |               |              |               |               |
|                                     | <u>58,892</u> | <u>2,945</u> | <u>61,837</u> | <u>59,371</u> |

The average number of full-time employees excluding agency workers, analysed by function is:

|                               | 2019      | 2018      |
|-------------------------------|-----------|-----------|
|                               | Number    | Number    |
| Direct charitable services    | 62        | 55        |
| Management and administration | 15        | 15        |
|                               | <u>77</u> | <u>70</u> |

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**9. Tangible fixed assets**

|   | Leasehold<br>Improvements | Centre Furniture<br>and equipment | Office<br>furniture<br>and<br>equipment | Total          |
|---|---------------------------|-----------------------------------|---|----------------|
|   | £                         | £                                 | £                                       | £              |
| <b>Cost</b>                                 |                           |                                   |   |                |
| At 1 April 2018                             | 225,400                   | 25,934                            | 261,554                                 | 512,888        |
| Additions                                   | 5,500                     | -                                 | 14,468                                  | 19,968         |
| Disposals                                   | (225,400)                 | -                                 | (11,650)                                | (237,050)      |
| <b>Cost at<br/>31 March 2019</b>            | <b>5,500</b>              | <b>25,934</b>                     | <b>264,372</b>                          | <b>295,806</b> |
| <b>Depreciation</b>                         |                           |                                   |   |                |
| At 1 April 2018                             | 212,141                   | 25,455                            | 201,022                                 | 439,618        |
| Charge for year                             | 10,072                    | 192                               | 27,191                                  | 37,454         |
| Disposals                                   | (222,213)                 | -                                 | (11,650)                                | (233,863)      |
| <b>Depreciation at<br/>31 March 2019</b>    | <b>-</b>                  | <b>25,647</b>                     | <b>217,563</b>                          | <b>243,210</b> |
| <b>Net book amount at<br/>31 March 2019</b> | <b>5,500</b>              | <b>287</b>                        | <b>46,809</b>                           | <b>52,596</b>  |
| Net book amount at<br>1 April 2018          | 29,865                    | 568                               | 39,667                                  | 70,100         |

**10. Investments**

|  | 2019<br>£      | 2018<br>£      |
|--|----------------|----------------|
| Opening Balance at 1 April               | 552,662        | 537,062        |
| Additions at cost                        | 109,538        | 123,125        |
| Realised gains                           | 3,835          | 1,420          |
| Unrealised gains/(losses) on investments | 13,034         | (4,496)        |
| Disposals                                | (93,009)       | (104,449)      |
| Market value at 31 March                 | 586,060        | 552,662        |
| Cash Held on Deposit                     | 29,589         | 32,143         |
| <b>Total investments</b>                 | <b>615,649</b> | <b>584,805</b> |

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 10. Investments (continued)

|                                     | 2019<br>£      | 2018<br>£      |
|-------------------------------------|----------------|----------------|
| Market value at 31 March comprises: |                |                |
| Listed investments - UK             | 365,430        | 350,958        |
| - Overseas                          | 220,630        | 201,704        |
| Cash held on deposit                | 29,589         | 32,143         |
|                                     | <u>615,649</u> | <u>584,805</u> |
| Historic cost value 31 March        | 584,805        | 515,928        |

Included within the portfolio are the following investments which comprise more than 5% of the market value of the portfolio:

|                                    |      | Percentage of<br>Portfolio | Market Value<br>2019<br>£ |
|------------------------------------|------|----------------------------|---------------------------|
| M & G Corporate Bond I Inc. (inst) |      | 5.2%                       | 30,533                    |
| PIMCO Global Advisors              | 5.7% | 5.7%                       | 33,271                    |
| UK (GOVT OF) 0.125%                |      | 6.8%                       | 39,846                    |

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 10. Investments (continued)

#### Health for Living Limited

The charity participates in a joint venture arrangement in Health for Living Limited, a company limited by guarantee and incorporated in England and Wales, with three other parties. The company is engaged in carrying out activities which are for the betterment of health and wellbeing. The charity owns 25% of the company and its share of trading results and assets and liabilities are as follows:

|                     | 2019<br>£ | 2018<br>£ |
|---------------------|-----------|-----------|
| Turnover            | 213,627   | 216,334   |
| Operating expenses  | (188,057) | (216,334) |
| Operating profit    | 25,570    | -         |
| Taxation            | (5,038)   | -         |
| Profit after tax    | 20,532    | -         |
| Fixed assets        | 953       | 1,903     |
| Current assets      | 207,049   | 187,248   |
| Current liabilities | (77,156)  | (97,971)  |
| Net assets          | 130,846   | 91,180    |

### 11. Debtors

|  | 2019<br>£ | 2018<br>£ |
|--|-----------|-----------|
| Amounts falling due after more than one year |           |           |
| Lease premium                                | -         | 738,162   |
| Amounts falling due within one year          |           |           |
| Rents, charges and housing benefit           | 27,948    | 49,102    |
| Prepayments                                  | 18,167    | 212,370   |
| Accrued Income                               | 122,796   |           |
| Other debtors                                | 242,301   | 487,633   |
| Total debtors                                | 411,212   | 1,500,230 |

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 12. Creditors

|  | 2019<br>£      | 2018<br>£      |
|--|----------------|----------------|
| <b>Amounts falling due within one year</b> |                |                |
| Rents, charges and housing benefit         | 29,882         | 49,793         |
| Other taxation and social security         | 54,463         | 53,925         |
| Accruals                                   | 89,084         | 211,669        |
| Deferred income                            | 177,726        | 145,627        |
| Other creditors                            | 98,546         | 302,897        |
|  | <u>449,702</u> | <u>763,911</u> |
|  | 2019<br>£      | 2018<br>£      |
| <b>Deferred Income:</b>                    |                |                |
| Brought forward                            | 145,627        | 181,758        |
| Released in year                           | (145,627)      | (181,758)      |
| Received                                   | 177,726        | 145,627        |
| Carried forward                            | <u>177,726</u> | <u>145,627</u> |

### 13. Analysis of net assets between funds

|  | General<br>Fund<br>£ | Restricted<br>fund<br>£ | Designated<br>£ | Total funds<br>£ |
|--|----------------------|-------------------------|-----------------|------------------|
| <b>Fund balances at 31 March 2019</b>      |                      |                         |                 |                  |
| <b>Are represented by:</b>                 |                      |                         |                 |                  |
| Fixed assets                               |                      | -                       | 52,596          | 52,596           |
| Investments                                | 615,949              |                         | -               | 615,649          |
| Debtors amount falling due after one year  |                      |                         | -               |                  |
| Current assets amounts due within one year | 1,515,520            | 3,038                   | 850,000         | 2,368,558        |
| Current Liabilities                        | (449,702)            |                         | -               | (763,911)        |
|  | <u>1,681,467</u>     | <u>3,038</u>            | <u>902,596</u>  | <u>2,587,100</u> |

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

|  | General fund<br>£<br>(Restated –<br>Note 21) | Designated<br>£ | Total funds<br>£ |
|--|--|-----------------|------------------|
| <b>Fund balances at 31 March 2018</b>      |  |                 |                  |
| <b>Are represented by:</b>                 |  |                 |                  |
| Fixed assets                               | -  | 73,270          | 73,270           |
| Investments                                | 584,805                                      | -               | 584,805          |
| Debtors amount falling due after one year  | -  | 738,162         | 738,162          |
| Current assets amounts due within one year | 1,715,725                                    | -               | 1,715,725        |
| Current Liabilities                        | (763,911)                                    | -               | (763,911)        |
|  | <u>1,536,619</u>                             | <u>811,432</u>  | <u>2,348,051</u> |

**14. Statement on movement of funds**

|                           | Balance at<br>start of<br>year<br>£<br>(Restated<br>Note 21) | Incoming<br>£    | Outgoing<br>£      | Investment<br>Gains<br>£ | Transfers<br>£ | Balance<br>at end of<br>year<br>£ |
|---------------------------|--|------------------|--------------------|--------------------------|----------------|-----------------------------------|
| <b>Restricted funds</b>   |  | 10,000           | (6,062)            |                          |                | 3,038                             |
| <b>Unrestricted Funds</b> |  |                  |                    |                          |                |                                   |
| Designated fund           | 811,432  | -                | -                  |                          | 91,164         | 902,596                           |
| General funds             | 1,536,619  | 3,335,583        | (3,117,341)        | 16870                    | (91,164)       | 1,681,466                         |
| <b>Total Funds</b>        | <u>2,348,051</u>   | <u>3,345,583</u> | <u>(3,123,403)</u> | <u>16,870</u>            | <u>-</u>       | <u>2,587,100</u>                  |

Designated funds represent the following:

- Following the sale of the leasehold property during the year, the trustees set aside £850,000 for the purchase and refurbishment of a new office where the organization could carry out its principle business activities. The fund is expected to be utilised in 2020.
- The remainder of the designated funds of £52,596 represent the net book value of the tangible fixed assets at the year end. Future depreciation will be charged against the fund over the remainder of the useful life of the fixed assets held.

A transfer has been made between general funds and designated funds to ensure carried forward funds equate to the net book value of tangible fixed assets held at the year end and the amount designated for the purchase and refurbishment of the new office.

Restricted funds relate to a specific campaign where funds were raised towards establishing a suicide helpline to be launched during the next financial year.

General Funds are to be used for any of the charitable aims of the charity. The use of general funds is not restricted to any particular purpose of the charity.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 15. Transactions with Trustees

There were ten Trustees on the board during the year who received total expenses of £308 (2018: £633) in the period as reimbursement of the costs of travelling to meetings. No tablets have been purchased for Trustees in 2019 (2018 £8,200) have been issued to each Trustee for use at board meetings.

Trustee remuneration is disclosed in Note 8.

Insurance to indemnify the Trustees against default on their part is included as part of the overall insurance package purchased by the charity and is not separately identifiable.

### 16. Operating leases

At 31 March 2019, the charitable company had future minimum lease payments under non – cancelable operating leases as follows:

|                                | 2019                    |                       | 2018                    |                       |
|--------------------------------|-------------------------|-----------------------|-------------------------|-----------------------|
|                                | Land and buildings<br>£ | Office Equipment<br>£ | Land and Buildings<br>£ | Office Equipment<br>£ |
| Operating leases which expire: |                         |                       |                         |                       |
| Within one year                | -                       | 9,505                 | 92,520                  | 9,505                 |
| Within two to five years       | -                       | 14,324                | 388,959                 | 23,829                |
| After more than five years     | -                       | -                     | 30,457,630              | -                     |
|                                | <u>-</u>                | <u>23,829</u>         | <u>30,939,109</u>       | <u>33,334</u>         |

### 17. Related Parties

Kaleidoscope Plus Group is one of four members providing services to Health for Living Limited. Health for Living delivers a range of services which promote and support public health and wellbeing. There was no income received for services rendered to Health for Living by the Kaleidoscope Plus Group during 2019 (2018 £74,000).

### 18. Pensions and other post-retirement benefits

The charity operates a defined contribution plan for its employees. The amount recognised as an expense in the period was £54,181 (2018 £23,772). No pension contributions were outstanding at the year-end (2018 nil)

### 20. Exceptional item

On 15 December 2016 the charitable company's subsidiary undertaking Kaleidoscope Plus Commercials Limited was placed into voluntary liquidation. The proceeds received during 2018 related to distributions paid out by the liquidators to Kaleidoscope Plus Group as the sole shareholder of this company.

### 21. Prior year restatement

Previously any movements in the fair value of investments were presented in a separate revaluation reserve. In line with the principles of the Charities SORP and FRS102, such movements have been reclassified to unrestricted general funds to more accurately present the nature of these funds.